

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6892

BILL NUMBER: HB 1378

DATE PREPARED: Feb 26, 2002

BILL AMENDED: Feb 25, 2002

SUBJECT: Emergency Telephone Services.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill reduces membership on the Wireless Enhanced 911 Advisory Board from 11 to 7. It allows current members to complete their terms. The bill makes the Treasurer of State a voting member of the Board. The bill eliminates term limits for Board members. The bill eliminates the requirement that the Board must use a third party audit in determining whether to adjust the Wireless Emergency Enhanced 911 Fee. It specifies procedures to be used by commercial mobile radio service (CMRS) providers in collecting and remitting the fee from prepaid subscribers. The bill specifies that the part of the fee to be used to implement phase two of a specified Federal Communications Commission (FCC) order must be used to reimburse CMRS providers and public safety answering points (PSAPs) for their costs in implementing the order. It allows the Board to invest the fees collected and to use the proceeds to reimburse CMRS providers and PSAPs. The bill provides that monthly distributions to reimburse PSAPs for costs in complying with the FCC order must be distributed to each county with eligible PSAPs based on the county's percentage of Indiana's population. It provides that the contents of an invoice submitted by a CMRS provider to the Board must be sworn to and affirmed under penalty of perjury. The bill repeals a provision establishing five wireless board regions.

The bill adds the lease, purchase, construction, or maintenance of voice and data communications equipment, communications infrastructure, or other information technology necessary to provide emergency response services under the authority of the county subdivision to the list of expenditures for which funds collected through Emergency Telephone System Fees may be used.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill makes technical and administrative changes to the Wireless Enhanced Emergency 911 Advisory Board, a body corporate and politic. The reduction of the Board's membership by four people and the elimination of the five wireless board regions could have a minor impact on any travel expenses paid to the membership of the Board. The bill also removes the requirement

that a third-party audit be used to adjust the monthly fee assessed on wireless phone users. The changes are not expected to have a significant impact on the state's expenditures.

Background Information: The Enhanced Wireless Emergency 911 program (IC 36-8-16.5) was established in 1998 in response to an FCC order mandating the provision of wireless 911 service by wireless carriers. The aim of the program is to route a wireless 911 call to the appropriate emergency dispatch. The program is to be implemented in two phases. Phase 1 of the program provides emergency personnel a call back number and cell tower location. The second phase of the program will employ technology to identify a 911 caller's location within 50 to 300 meters. There are seven wireless service providers in the state that currently provide Phase 1 wireless 911 service to cell phone users in 89 of the state's 92 counties. It is estimated that this service is now available to 90% of Indiana's wireless phone users.

The Wireless Enhanced 911 Advisory Board, chaired by the State Treasurer, is responsible for providing oversight of the program. A monthly fee, currently \$0.65, is charged to cell phone users in order to ensure that wireless carriers and local governments recover the costs associated with the provision of the service. Indiana Code states that the fee cannot exceed \$1.00 per month. The revenue is distributed to Public Safety Answering Points (PSAP) in each county according to a population formula, as adjusted by the Wireless Enhanced 911 Advisory Board. Before funds are distributed to the counties, the State Treasurer makes certain deductions for: 1) future implementation of the program; 2) the recovery of costs by wireless service providers; and 3) the program's administrative costs.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) The Wireless Enhanced 911 Advisory Board distributed approximately \$5.9 M, after deductions, in fee revenue to county PSAPs in FY 2001. This bill could increase the distributions to county PSAPs in so far as it would require the current \$0.65 fee to be collected from users of prepaid cellular plans. (Current law does not include a mechanism for the collection of the fee from prepaid cellular users.)

The bill also clarifies the distribution and use of fee revenue to wireless service providers and county PSAPs for the implementation of Phase 2 of the program. The impact of these changes on county PSAPs are not expected to be significant.

This bill allows units that impose an Emergency Telephone System fee to use a portion of the revenue to provide emergency response services under the authority of a county subdivision. This provision is not expected to have a significant fiscal impact.

State Agencies Affected: Department of Transportation; Treasurer of State.

Local Agencies Affected: County PSAPs; Units that impose a Emergency Telephone System Fee.

Information Sources: Chris Ternet, Policy Advisor, Office of the Treasurer of State, 232-6387.